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WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 9-80

WASHINGTON, July 16--The Foreign Agricultural Service of the U.S. Department of Agriculture today issued the following report of recent developments in world agriculture and trade:

HORTICULTURAL AND TROPICAL PRODUCTS

COFFEE FUTURES MARKET PRICES on July 7 rose the daily limit of 6 cents per pound with the spot price, having no limits, rising by 10.2 cents.

In contrast to recent price spurts, which resulted from the activities of the Bogota Group, the catalyst for the move apparently was the news that Mexico had suspended coffee export registrations for an indefinite period. The suspension by Mexico followed similar actions by Brazil on July 4 and Honduras and Guatemala over the weekend of July 5-6. Export registrations are likely to remain closed until the end of the frost period in Brazil (about Aug. 15).

In an additional development, it appears that Colombia has raised its minimum selling price to \$1.98 per pound, ex-dock New York, after selling as low as \$1.5650 per pound on July 3.

In the Brazilian coffee growing areas, favorable weather is the major factor affecting market prices at this time of year. So far the weather has remained relatively mild, and other factors, such as adequate producer and roaster stocks, have influenced a 25-cent-per-pound drop in the price of green coffee over the past six weeks despite other efforts to the contrary by the Bogota Group.

ARGENTINA reduced the import duty on sugar in May from 100 to 20 percent ad valorem. The duty is to remain at this level until 1982 when it will drop to 19 percent for January through June, then to 18 percent for July through September and finally to 17 percent during October through December. Further reductions in the import duty are scheduled in 1983 as follows: January-March, to 16 percent; April-June, to 15 percent; July-September, to 14 percent; and October-December, to 13 percent. In 1984 the duty is scheduled to decline to 12 percent.

Argentina is normally a sugar exporter and no imports are foreseen in the immediate future, especially at present world price levels.

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MARY FRANCES CHUGG, Editor. Tel: (202) 447-3370, 447-2381. Weather and Crop Summary prepared by the Joint Agricultural Weather Facility of USDA and NOAA. Tel: (202) 447-8760, 447-7917. Additional copies may be obtained from the FAS Information Services Staff, Room 5918-South, Washington, D.C. 20250. Tel: 447-7937.

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The official minimum producer price for sugarcane has been set for the 1980/81 marketing year (for cane grown during June 1979 to May 1980) at 41,800 Argentine pesos (about US\$23) per ton, an increase of about 98 percent over last year's 21,150 pesos.

JAPAN has set the apple juice quota for its 1980/81 fiscal year (April-March) at 4,000 tons. This is 2,800 tons above the quota for 1979/80.

SWEDEN has established a parliamentary commission to survey the future size, direction and structure of its sugar industry. This new survey has been brought about by the growing interest in agriculture as a producer of energy. It also indicates an interest in sugar as a raw material for various industrial products, in addition to ethanol.

In ISRAEL, the avocado output in the major producing areas has been severely damaged by abnormally cold weather during the flowering and fruit setting stage. Current estimates place the 1979/80 crop at 30,000 tons--9 percent below the 1978/79 level. The reduction in output is expected to sharply limit supplies available to industrial processors, as well as the amount available for export to European markets.

COTTON

Unfavorable weather conditions in ARGENTINA have reduced yields for the 1979/80 cotton crop, now estimated at 780,000 bales. Heavy rains during April and May, especially in the major cotton area of Chaco, delayed harvest and lowered cotton quality. Despite the reduced crop, Argentina is expected to export 450,000 bales (480-lb net) of cotton as domestic mills will not use the low quality cotton. Domestic consumption for 1979/80 is estimated at 425,000 bales. In 1980/81, Argentina's cotton area should remain basically unchanged with producers hoping for a return to favorable weather, higher yields and increased production.

TOBACCO

AUSTRALIA's tobacco producers are being asked to withhold from the market an additional 200 tons of the 1981 flue-cured crop because of decreasing consumption and large domestic stocks held by manufacturers. The new quota is 14,700 tons, compared with the 14,900 tons established earlier by the Australian Agricultural Council based on the formula in the Tobacco Stabilization Plan. The 1980 quota was 15,100 tons.

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NEW RELEASES

Foreign Agriculture Circulars:

U.S. Seed Exports, Quantity, Value, and Destination, July-May and May 1978/79
and 1979/80 Marketing Years, FFVS 7-80

World Deciduous Fruit and Grape Situation, FDAP 1-80

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INTERNATIONAL WEATHER AND CROP SUMMARY, JULY 7-13

EUROPE--Cool, wet weather continued over the northeastern half of Europe, and rain spread southward again into winter grain harvest areas. These conditions have persisted since early June, when rainfall was more than 50 percent above normal in many places and temperatures remained below normal. Winter grains in many northeastern countries have suffered both quality and yield losses from the excess moisture, and development of row crops has been delayed. Above-normal rain this week in Romania, northern Italy and southern France may not have seriously affected winter grain harvest, as there were extended periods of fair weather between the rainy spells. In England, conditions have improved slightly, following a very wet June. Rainfall is now near normal and winter grain prospects remain good.

USSR--Favorable harvest weather for winter grains continued in southeastern portions of the grain belt, and weather in the eastern Ukraine and Black Soils Region cleared as harvesting moved northward. Cool, wet weather, however, continued to the north and west. A band of above-normal rainfall extending northward from Moldavia through the central Ukraine interfered with harvest in the southern areas. This represents a continuation of conditions which had prevailed over all of the Ukraine during June, when rainfall over an extensive area was nearly three times the normal amount. Relatively dry June weather in the Crimea and much of the North Caucasus favored the maturation of winter grains. Northern crop areas in European USSR became too wet for crops as two weather systems moved across from the west. Many northern areas received above-normal rainfall in June, with near-normal temperatures, but this cool, wet weather could retard crop development. In the southeastern Volga Valley, however, conditions have remained too warm and dry for crops since mid-May, stressing sunflowers and spring grains.

In the New Lands, wet weather returned to the eastern half, where most locations received above-normal rainfall. This continued a trend which began in June, and has maintained adequate moisture in the upper soil layers for current crop needs as spring grains entered the heading stage. Prior to planting in late May, an extensive portion of this eastern area had insufficient soil moisture. Abundant rainfall in the northwestern New Lands maintained good moisture levels, and although very little rain fell in southwestern portions, soil moisture has remained quite adequate as a result of above-normal rainfall during June.

CHINA--Heavy rainfall shifted southward this week, bringing relief to some crops along the southeast coast, but interrupting harvest of early rice. Quite dry June weather in some southern areas had been causing concern for crops, and this moisture improved conditions. Drier weather over much of the North China Plain was a relief from the excessive rains of June which had caused substantial problems for the winter grain harvest. In Manchuria, abundant rainfall continued a trend of recent weeks, and although most areas benefited from the moisture, some locations have become too wet for crops. Only scattered showers occurred in spring wheat areas of Inner Mongolia, where rainfall had been insufficient in June, and concern has been rising about reduced yields.

INDIA--Above-normal rainfall continued in the northeast, with some flooding reported in Assam. Drier weather in Gujarat allowed replanting of cotton and peanuts, following the excessive rains in late June. Only in Andhra Pradesh and Tamil Nadu was relatively dry weather unfavorable for crops, and this week the dry area was substantially reduced. The month of June had been good to India and Bangladesh, with the exception of local flooding in Gujarat. June temperatures remained below-normal over a broad area in central India, but with no significant impact on crop development.

SOUTHEAST ASIA--In Thailand, weekly rainfall totals were below-average, particularly in the rice and maize growing area north of Bangkok. Well above average rainfall in June provided ample moisture for both crop growth and some replenishment of water supplies. Crop growing conditions remain favorable. Only small amounts of rain fell in Peninsular Malaysia last week. Monthly totals in June were above average in the major rice growing region of Malaysia. Preparations for planting of the main rice crop will soon begin.

SOUTH AMERICA--Widespread showers fell in parts of the winter wheat areas of Brazil and Argentina which had received less than average monthly rainfall in June. Moisture supplies should be adequate for the wheat crop in both countries. In the coffee growing area of Northern Parana State in Brazil, average monthly temperatures were only slightly below normal in June. Coffee trees escaped any significant frost damage during the month.

AUSTRALIA--A good supply of moisture is available for winter wheat growing in West and South Australia and Victoria. Storm which brought above normal rainfall to these regions in June continued across the southern portion of the continent last week. Growing conditions are favorable in the western and southern winter wheat areas, including the southern half of New South Wales. No precipitation fell last week in northern New South Wales and Queensland where monthly rainfall totals in June were well below normal. Moisture is needed in this winter wheat area.

CANADA--Monthly rainfall totals were well below normal in June for a vast portion of the Canadian Prairies, extending from southeastern Alberta through Manitoba. In Saskatchewan, only the northern fringe of the wheat area received near-normal monthly amounts of rain. This rainfall pattern continued through last week as scattered showers produced significant weekly totals in the western

and northern portions of the grain belt. Elsewhere, minimal rainfall continued to cause severe moisture stress on cereal crops, which are advancing well into flowering and heading. Monthly temperatures were near the seasonal average for June throughout most of the wheat belt.

MEXICO--Showers continued to relieve drought conditions in northwestern Mexico where soybean, rice and cotton crops rely heavily upon irrigation. Additional moisture is needed to sustain water supplies, since monthly precipitation totals in June were well below the seasonal average. Monthly temperatures were well above normal in northern Mexico as the heat wave caused severe stress on crop and livestock. Further south, soil moisture reserves remained adequate for corn and beans in the southern plateau.

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Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain, soybeans and tapioca, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	July 15, 1980		Change from previous week	A year ago
	Dollars per metric ton	Dollars per bu.	Cents per bu.	Dollars per metric ton
Wheat:				
Canadian No. 1 CWS-12.5%..	1/	1/	1/	1/
U.S. No. 2 DNS/NS: 14%.....	221.00	6.01	+21	200.50
U.S. No. 2 DHW/HW:13.5%.....	210.00	5.72	+24	204.50
U.S. No. 2 S.R.W.....	192.00	5.23	+3	197.00
U.S. No. 3 H.A.D.....	325.00	8.85	+96	223.00
Canadian No. 1 A: Durum....	1/	1/	1/	1/
Feedgrains:				
U.S. No. 3 Yellow Corn.....	158.00	4.01	+33	154.00
U.S. No. 2 Sorghum 2/.....	168.25	4.27	+27	160.00
Feed Barley 3/.....	1/	1/	1/	159.00
Thailand Tapioca.....	181.00	--	+0.35 5/	--
Soybeans:				
U.S. No. 2 Yellow.....	324.75	8.84	+91	322.50
Argentine 4/.....	323.00	8.79	+97	307.25
U.S. 44% Soybean Meal (M.T.)	260.50	--	+21.50 5/	249.00
EC Import Levies				
Soft Wheat.....	133.25	3.63	+17	106.31
Barley.....	112.60	2.45	-18	107.27
Corn	132.35	3.36	-17	100.91
Sorghum.....	116.55	2.96	-17	94.61

1/ Not available

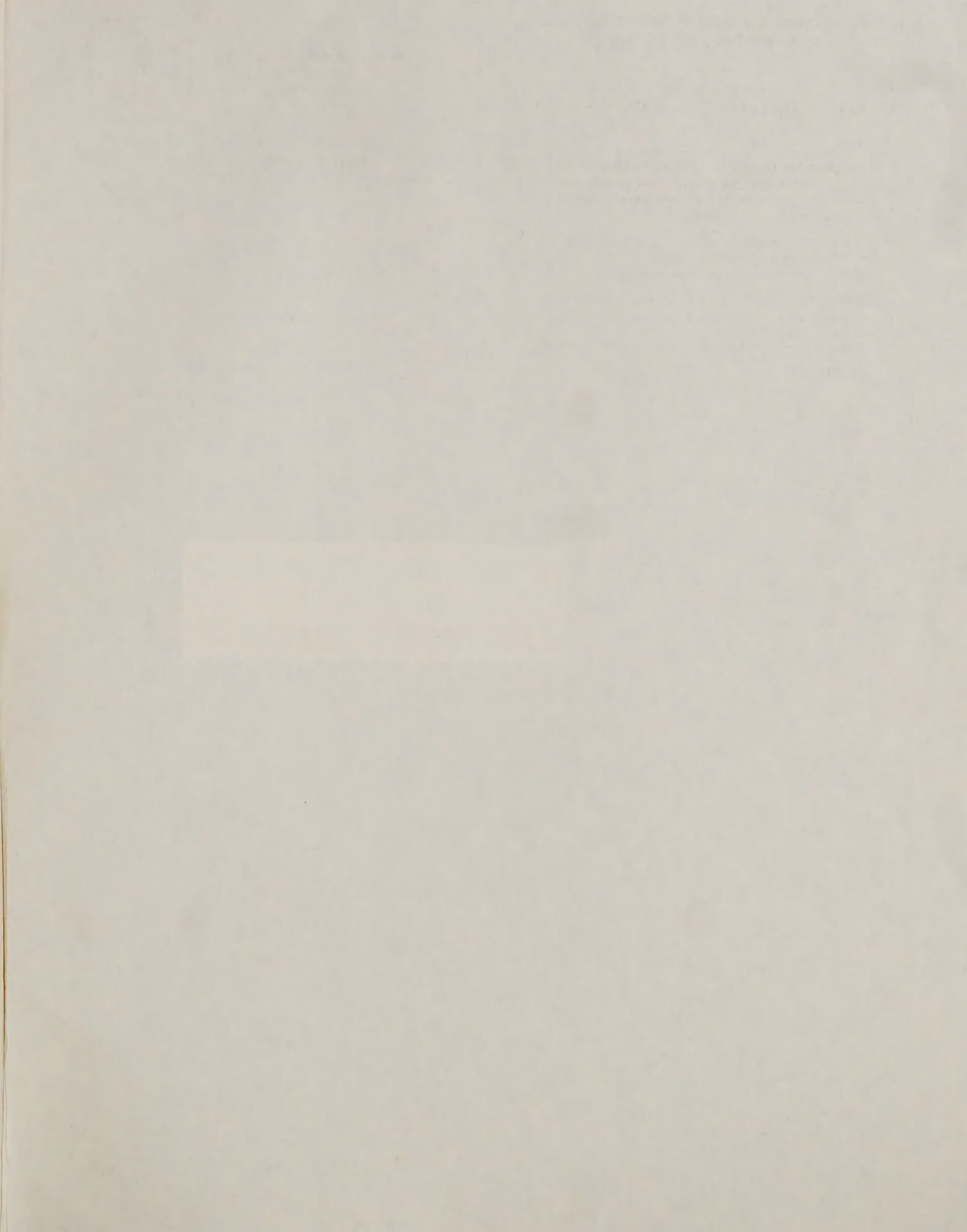
2/ Optional delivery: U.S. or Argentine Granifero Sorghum

3/ Optional delivery: U.S. or Canadian Feed Barley

4/ Optional delivery: Brazil Yellow

5/ Dollars per metric ton

NOTE: Basis August delivery



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